

ID: CCA\_2011051909444237

Number: **201125023**

Office:

Release Date: 6/24/2011

UILC: 6103.05-03

---

**From:**

**Sent:** Thursday, May 19, 2011 9:44:53 AM

**To:**

**Cc:**

**Subject:** RE: IRC 6103(e)(10) Clarification pertaining to Partnerships

Section 8 of the Mortgage Forgiveness Debt Relief Act of 2007 enacted new section 6103(e)(10) limiting the disclosure of partner information to other partners in the same partnership. It did not change section 6103(h)(4)(A) which is an exception to the general disclosure limitations and allows such information to be disclosed to other partners in the same partnership as part of a TEFRA audit or litigation.

Section 6103(h)(4)(A) provides that taxpayer information may be disclosed to all parties in a federal judicial or administrative proceeding. All direct and indirect partners in a TEFRA partnership are parties to the administrative proceeding (i.e., the audit) and the subsequent litigation. The 9th Circuit so held in Abelein v. U.S., 323 F.3d 1210, 91 A.F.T.R.2d 2003-1476, 2003-1 USTC P 50,331. So while we will have to be more careful for disclosures outside of TEFRA under the amendment to section 6103(e), the new legislation should not affect our disclosures made as part of a TEFRA audit and litigation.

Thus, we may continue to issue the Form 886-Z under section 6103(h)(4)(A) since this provides an exception to 6103(e).

